



Department of Budget and Management  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**TECHNICAL SUPPORT OFFICE**

**NPM No. 107-2013**

20 December 2013

**HON. LEOPOLDO DOMINICO L. PETILLA**

*Governor*

**OFFICE OF THE PROVINCIAL GOVERNOR**

**PROVINCE OF LEYTE**

Senator Enage Street, Tacloban City

**Re : Negotiated Procurement (Emergency Cases);  
Contract Extension for General Support Services**

Dear Governor Petilla:

We write in reference to your letter dated 9 December 2013, which we received on 17 December 2013, seeking approval from the Government Procurement Policy Board (GPPB) to authorize the Province of Leyte (Province) to procure essential office equipment and supplies in Cebu or Metro Manila through Negotiated Procurement (Emergency Cases) as provided in Section 53.2 of the revised Implementing Rules and Regulations (IRR) of Republic Act No. (RA) 9184, and extend the contracts of its existing service provider for an additional period of twelve (12) months.

As represented, the efforts of the Province to get back to normal operations and deliver the much needed services are hampered by the lack of basic office equipment and supplies in many of its provincial government offices. In addition, majority of commercial establishments in Tacloban City remain closed such that sourcing of supplies and equipment poses a big challenge for the day-to-day operations of the Province. It is in this context that the above-mentioned authority is being sought from the GPPB.

**Negotiated Procurement (Emergency Cases)**

Section 48 of RA 9184 and its IRR provide that subject to the prior approval of the Head of the Procuring Entity (HOPE), upon favorable recommendation of the Bids and Awards Committee (BAC), and whenever justified by the conditions provided therein, the procuring entity may, in order to promote economy and efficiency, resort to any of the recognized alternative methods of procurement.

The responsibility and accountability in determining and justifying the existence of conditions or circumstances warranting the use of any of the alternative methods of procurement provided in RA 9184 and its IRR rest primarily with the procuring entity. Thus, we wish to clarify that prior approval of the GPPB to resort to any of the alternative methods of procurement is not necessary, except where the Approved Budget for the Contract (ABC)

amounts to at least Five Hundred Million Pesos (PhP500,000,000.00), as required under Executive Order No. 423, Series of 2005<sup>1</sup>.

Section 53.2 of the IRR of RA 9184 identifies Negotiated Procurement (Emergency Cases) as an alternative modality that procuring entities may utilize in case there is imminent danger to life or property during a state of calamity, or when time is of the essence arising from man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.

In this regard, the Province may utilize Negotiated Procurement (Emergency Cases) for the procurement of essential office supplies and equipment upon determination by the Honorable Governor, upon the recommendation of the BAC of the Province, of the existence of any of the circumstances mentioned in Section 53.2 of the IRR of RA 9184.

Moreover, prior GPPB approval to resort to alternative methods of procurement is only required for procurement activities with an ABC of at least Five Hundred Million Pesos (PhP500,000,000.00). In connection with this, we wish to inform the Honorable Governor that the GPPB, through GPPB Resolution No. 34-2013 dated 14 November 2013, has granted authority to all concerned government procuring entities to procure goods and infrastructure projects, for the purpose of providing rescue, recovery, relief, and/or rehabilitation efforts for, and to continue to provide basic services to victims in areas affected by Typhoon Yolanda, through Negotiated Procurement (Emergency Cases) under Section 53.2 of the IRR of RA 9184 with an ABC of at least Five Hundred Million Pesos (PhP500,000,000.00) for the duration of the State of Calamity until lifted by the President pursuant to Proclamation No. 682, Series of 2013. The same GPPB Resolution requires all concerned procuring entities to submit to this office a list of all transactions covered by the grant of authority at the end of every month.

### **Extension of Contracts for General Support Services**

The Revised Guidelines on the Extension of Contracts for General Support Services (Guidelines) issued by the GPPB through GPPB Resolution No. 23-2007 governs the extension of ongoing contracts of general support services which are essential, indispensable, or necessary to support the operations of procuring entities or for the enhancement of the welfare of its personnel. Section 4 thereof provides the following conditions when procuring entities may extend the duration or effectivity of an ongoing contract:

1. No contract extension shall exceed one (1) year.
2. The original contract subject of the extension was awarded in accordance with the provisions of RA 9184 and its IRR.
3. The procuring entity has substantially undertaken the procurement activities required prior to award of the new contract under RA 9184 and its IRR.
4. The contract extension is undertaken due to circumstances beyond its control and the procuring entity concerned cannot award a new contract within a month after the expiration of the term of the original contract.
5. The contemplated extension is merely an emergency measure to maintain status quo in the operations of the procuring entity and to avoid interruption of service.
6. The current service provider has not violated any of the provisions of the original contract.



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<sup>1</sup> As amended by Executive Order No. 645, Series of 2007.


7. The terms and conditions of the original contract shall not be changed or modified, except when changes or modifications will redound to the advantage of the government at no additional cost to the procuring entity.

Section 5 of the same Guidelines provides that all contract extensions shall be subject to the prior approval of the HOPE upon recommendation of the BAC. If the proposed contract extension exceeds six (6) months, the HOPE is required to inform the GPPB in writing of its intent to extend beyond six (6) months.

As such, we wish to clarify that prior approval of the GPPB to extend the ongoing contracts for general support services of the Province is not necessary, since it could do so as long as the above-mentioned conditions provided in the Guidelines are complied with.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Please note that this opinion is being rendered on the basis of the facts and particular situation presented, and may not be applicable given a different set of facts and circumstances. Should there be additional questions, please do not hesitate to contact us.

Very truly yours,

  
**DENNIS LORNE S. NACARIO**  
*Officer-in-Charge*

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